



**CALIFORNIA  
HIGH-SPEED RAIL  
AUTHORITY**

**BRIEFING: APRIL 8, 2010 BOARD MEETING AGENDA ITEM #9**

**TO:** Chairman Pringle and Authority Board Members

**FROM:** Carrie Pourvahidi, Executive Director

**DATE:** 4/1/10

**RE:** Bureau of State Audits Report

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**Introduction**

On February 25, 2009 the Authority was informed, by the Joint Legislative Audit Committee (JLAC), that they had received a request for the State Auditor to conduct an audit of the Authority.

On May 27, 2009 JLAC conducted a hearing regarding the audit of the Authority, in which the State Auditor presented her analysis of the audit request (see attached). JLAC consequently authorized the State Auditor to conduct the audit.

On September 30, 2009 the Authority received a letter from the State Auditor informing us of the upcoming audit and to set up an entrance conference. An entrance conference was conducted on October 30<sup>th</sup> laying out the general scope and process of the audit.

The Bureau of State Audits (BSA) scoping of the audit work was conducted in November and the actual audit field work started, in earnest, in December. Over these past few months the auditors have worked out of the Authority's office, having direct access to staff, consultants, and records.

Currently BSA has scheduled delivery of the draft audit report to the Authority on April 12<sup>th</sup>. The Authority has 5 business days to respond to the audit findings, responses are due to BSA by close of business April 19<sup>th</sup>. The draft audit report is confidential and must remain confidential until it is released by the State Auditor, which is currently scheduled for April 29<sup>th</sup>.

### **Staff Recommendation**

In order to prepare the Authority's response to BSA's audit report I recommend the full board or committee meet during the week of April 12<sup>th</sup> to discuss and review BSA's draft audit report and the Authority's draft responses. This meeting will be publically noticed to meet the "Open Meeting Act" requirements, however due to the confidentiality of the draft audit report the board discussion related to the audit report will be conducted in closed session.

### **Attachment:**

- ✓ Analysis of Audit Request